

## ACQUISITION, CUSTODY, AND DISPOSAL OF CONTROLLED PROPERTY

### PURPOSE

To set forth the City's policy concerning establishment of procedures and assignment of responsibilities regarding acquisition, custody, and disposal of controlled property. The primary focus of this policy, and the procedures to which it refers, is security of the City's property and equipment.

### DEFINITION

Controlled Property is defined as property having an initial value greater than \$500, with two exceptions. At the discretion of the City Manager or a Department Head, individual items of City property of less than \$500 value may be designated as controlled property. This should be done with items especially subject to theft or misuse. Conversely, major fixed assets with no potential for theft, such as buildings, land, water and sewer lines, and other assets affixed to the earth are exempted from some aspects of this policy, such as custody control. For a discussion of the distinction between "end items" of equipment, which are subject to property control procedures, and components of that equipment, which require a different level of control, see the City's Property Control Procedures.

### PROPERTY CONTROL RESPONSIBILITIES

The Administrative Services Director shall establish and maintain citywide property control and disposal procedures. However, basic accountability for City property, along with the responsibility for maintaining appropriate day to day measures to keep it reasonably secure, lies with the Department Head whose budget appropriation was used for original procurement of the property (unless transferred to another Department).

Items designated to be included in the property control system will be entered into the system at the time they are acquired and removed from the system when they are disposed. Custody of assets will be established to the Department Head level. Department Heads may establish sub custody to their Divisions, or other subordinate levels within their Departments, if they desire. Department Heads must advise the Administrative Services Director of any transfers of property between custodians, or of any other adjustments or realignments to be effected.

An inventory of property control items will be conducted at least annually by the custodians (Department Heads), at the direction of the Administrative Services Director. A report of this inventory will be prepared by the Administrative Services Director and submitted to the City Manager. The Administrative Services Director will specifically report any material discrepancies (such as missing items) arising from these inventories, and recommend appropriate action in each case. The City Manager will in turn advise the City Council on the completion of each inventory and of any specific items deemed appropriate including the identification of any theft or missing property. In the event any item of value greater than \$5000 is missing as a result of misappropriation or other illegal activity, or without adequate explanation, the City Council will be so informed.

#### **DISPOSAL**

Property and equipment being removed from City Service by Departments will be turned over to the Administrative Services Director (Warehouse Manager), who will arrange for proper disposal and removal from the property control system. City property shall be disposed of in a manner that results in the greatest financial advantage to the City. For items of relatively significant value, this usually means a competitive bid process. For items of no value, this usually means least-cost disposal. Donations made by the City must be approved by the City Council and whenever possible, local charities and homeowners associations will be given first choice. The City Manager has the authority to waive Council approval for surplus property donation based on recommendation by the Administrative Services Director if the estimated total value of the surplus property is less than \$2500 and if he deems the donation is in the best interest of the City. Specific procedures for disposal of property are contained in the City's Property Control Procedures.

Controlled Property procured with City funds and authorized for use off-site by designated individuals must be returned to the City Manager or Administrative Services Director in the event of retirement, termination or reassignment, or purchased from the City at the current value of the equipment.

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